Setting up of food zones

559. SHRI MAHENDRA MOHAN: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact that a plan has been formulated for setting up of 20 Integrated Food Zones (IFZs) to give a thrust to the farm sector reforms;

(b) if so, the details thereof, including the specific areas/locations identified, State-wise, to establish the Integrated Food Zones and infrastructural facilities proposed to be created, the pattern of funding decided for the various projects and the time-frame fixed therefor; and

(c) the criteria evolved for selection of the specific regions/locations for the food zones?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) to (c) A new scheme — Integrated Food Zones/Mega Food Park aimed at providing integrated solutions with comprehensive and quality Infrastructural facilities alongwith appropriate linkages is being developed in consultation with Planning Commission.

Food processing installed capacity in the country

560. MS. MABEL REBELLO: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) the food processing installed capacity in the country;

(b) the percentage of the fruits processed in the country;

(c) the wastage of fruits produced in the country annually and the reasons for the same;

(d) whether Government have any plan to encourage processing of such fruits all over the country to stop the wastage; and

(e) the details of the plan for the next five years?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) The Government does not set up Food Processing Industries on its own.

Approval of the Ministry of Food Processing Industries is also not required for starting all new FPI units. As the food processing industries are both in the organized and unorganized sector, the data regarding installed capacity of food processing industries are not centrally maintained in the Ministry.

(b) to (e) As per a report, of wastage of the fruits and vegetables is estimated to be about Rs. 33,000 crore which occurs at various stages of handling after harvesting like inadequate post - harvest infrastructure, lack of cold chain facilities, transportation, proper storage facilities etc. Level of processing of fruits and vegetables in the country is estimated to be 2.20%.

With a view of step up food processing industries, Government has formulated and implemented several Plan Schemes to provide financial assistance for establishment and modernization of food processing units, creation of infrastructure, support for research and development, human resource development besides other promotional measures to encourage development of food processing industries. In order to give boost to growth of FPI sector, the Government has allowed in 2004-05, under Income Tax Act, a deduction of 100% of profit for five years and 25% of profits for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables. Fruit and vegetable products are already exempted from payment of excise duty. Customs duty on refrigerated vans reduced from 20% to 10%. In the Budget of 2006-07, custom duty on packaging machines has been reduced from 15 per cent to 5 per cent, excise duty on condensed milk, ice cream, preparations of meat, fish and poultry, pectins, pasta and yeast fully exempt, excise duty on ready-to-eat packaged foods and instant food mixes, like dosa and idli mixes, reduced from 16 per cent to 8 per cent, excise duty on aerated drinks has been reduced from 24 per cent to 16 per cent and excise duty on packaging paper has been reduced from 16 per cent to 12 per cent.

Under the Plan Schemes of the Ministry of Food Processing Industries, financial assistance for technology upgradation/establishment/ modernization of the food processing industries is provided @ 25% of the project cost in general areas subject to a maximum of Rs. 50 lakh and 33.33% of the project cost in difficult areas subject to a maximum of Rs. 75 lakh.